

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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AUG 31 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

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CC Docket No. 98-119

1998 Biennial Regulatory Review –  
Elimination of Part 41 Telegraph  
and Telephone Franks

**COMMENTS OF SBC COMMUNICATIONS, INC.**

Comes now SBC Communications Inc. on behalf of itself and its subsidiaries<sup>1</sup> and files these comments in the above-referenced Notice Proposed Rulemaking ("NPRM"). In that NPRM, the Commission seeks comment as to whether its regulation of telephone and telegraph franking privileges and certain reports pursuant to Part 41 of the rules continues to be in the public interest. Based upon analysis set out in the NPRM, the Commission tentatively concludes that it does not and seeks comment on that analysis and tentative conclusion that Part 41 should be eliminated in its entirety. SBC strongly supports that conclusion and is in agreement with the analysis that lead to that conclusion, as set out in the NPRM.

The only objection SBC would raise is not to the specific conclusions drawn about Telephone Franks, but that the narrow view being taken by the Commission of the

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<sup>1</sup> SBC Communications Inc. is the parent company of various subsidiaries, including telecommunications carriers. These subsidiaries include Southwestern Bell Telephone Company ("SWBT"), Pacific Bell, Nevada Bell, and various wireless carriers including Southwestern Bell Mobile Systems, Inc. ("SBMS"), and Southwestern Bell Wireless Inc. ("SWBW") and Pacific Bell Mobile Services ("PBMS"). The abbreviation "SBC" shall be used herein to include each of these subsidiaries as appropriate in the context.

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biennial review process is inappropriate. The biennial review should comprise an exhaustive, top-to-bottom review of all existing regulation, codified in Section 11, as previously argued by SWBT in its Petition for Section 11 Biennial Review, filed May 8, 1998. In that Petition, SBC provided a list of regulations that were no longer in the public interest. Yet, to date, there has still been no announcement of plans to affirmatively review **all** regulations that apply to the operations or activities of any provider of telecommunications service and to make specific findings as to their continued necessity in light of current market conditions, despite the fact that Commissioner Furchtgott-Roth called attention to the full extent of that requirement in a Separate Statement released January 30, 1998.

### **I. The Telecommunications World Has Changed**

As noted in the NPRM, the Part 41 rules were adopted at a very different time than the world of today, *i.e.* a time when firms providing interstate and foreign services faced a vastly different set of statutory, regulatory, economic, and operational barriers. The Federal Telecommunications Act of 1996 ("FTA96") has resulted in the opening of all telecommunications markets, with the sole exception of the opening of the interexchange service market for the RBOCs. The march toward full competition in every market will certainly lessen the need for government regulation of telecommunications services in general; the need for government regulation of telephone franking ended some time in the past with the cessation of the use of the telephone franking process. SBC is not aware of any common carrier still using telephone and telegraph franks.

## II. Specific Comments

The Commission has tentatively concluded that the reality of competition and the discipline of competitive markets for interstate and international services obviates the need for any special recordkeeping or other regulatory requirements. SBC agrees that such requirements are not needed and can be eliminated as applied to franks for interstate and international services as issued by common carriers regulated by the Act to common carriers not regulated by the Act. SBC also agrees that Part 41 regulation of the possible issuance and use of franks for interstate or international service by wireless carriers is unnecessary and should be eliminated.

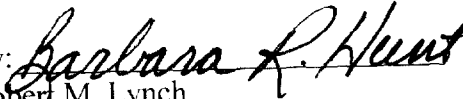
SBC does not believe that elimination of franking regulation per the provision of interstate access service presents any special problem. The Commission has correctly analyzed this issue and SBC strongly supports the conclusion that such regulation should be completely eliminated. SBC also strongly supports elimination of the Section 201(b)-authorized "reports of positions of ships at sea." required by section 43.31(c) of the rules, for the reasons stated in support of the Commission's tentative conclusion that section 43.31(c) should be eliminated.

SBC strongly supports the proposal to eliminate Part 41, *in toto*. SBC does not believe that any other form of regulation is required to govern the provision of franks under any special circumstances. SBC is not providing any cost/benefit analysis because SBC does not believe there is any benefit to any type of continued regulation of telephone franks.

For all of the reasons set forth above, SBC strongly supports the elimination, *in toto*, of Part 41 (Telegraph and Telephone Franks) of the Commission's rules.

Respectfully Submitted,

SBC COMMUNICATIONS INC.

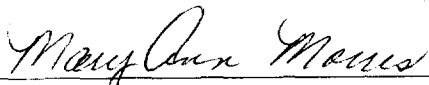
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August 31, 1998

**Certificate of Service**

I, Mary Ann Morris, hereby certify that the foregoing "Comments of SBC Communications, Inc.", in CC Docket Number 98-119 has been served on August 31, 1998, to the Parties of Record.

  
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Mary Ann Morris

August 31, 1998

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